

Meeting Minutes

Virtual Stakeholder Meeting to Examine an Electricity Affordability Program for Dominion Energy South Carolina's Low-Income Customers

Meeting Date: March 31, 2022

Attendees: A list of attendees is attached as **Exhibit A**.

Agenda: The meeting agenda is attached as **Exhibit B**.

Meeting started at 10:30 AM.

A. Welcome and introduction of presenters:

- Michael Anzelmo, partner at McGuireWoods LLP and outside counsel for Dominion Energy South Carolina, Inc. ("DESC" or "Company"), greeted the stakeholder group. He then introduced Ms. Cristina Freeman, Customer Assistance Manager at DESC. Mr. Anzelmo provided the group with a meeting agenda.

B. Update on the Office of Economic Opportunity's ("OEO") approval to accept \$15 million in settlement funds (presented by Mr. Anzelmo for DESC):

- Mr. Anzelmo provided an update to the group regarding the \$15 million in settlement funds that DESC plans to remit to OEO.
- OEO must obtain the General Assembly's approval in the annual appropriations act before DESC can remit the funds.
- The General Assembly continues to work on the appropriations act.

**C. Overview of funds currently available for existing Bill Assistance Programs
(presented by Ms. Freeman for DESC):**

- Ms. Freeman provided an update regarding the financial assistance programs available to DESC customers and the funds available in each program for DESC customers.
- Those programs include: Low Income Home Energy Assistance (LIHEAP); EnergyShare by Dominion Energy; the Good Neighbor Fund; and the SC Stay Plus program.
- Ms. Freeman also discussed the SC Homeowner Rescue Program, which launched on March 21, 2022. The program will provide \$144,650,807 in utility and rental assistance funds to South Carolinians in need.
- In total, \$300 million in customer assistance funds are currently available to DESC's customers.

D. DESC's position on the need for legislative involvement to implement PIPP in South Carolina (presented by Mr. Anzelmo)

- Mr. Anzelmo stated that DESC has concluded that enacting a PIPP requires legislative action because of the cost shifting that would result from implementing such a program.
- Group members then engaged in a lengthy discussion regarding potential programs other than PIPP and possible next steps.
- Mr. Anzelmo stated that the Company is open to considering any other customer assistance programs requested by any stakeholders. Mr. Anzelmo reminded the group that a proposal with a cost shifting mechanism

or subsidy would require legislative approval, even if not a PIPP-style program.

- The group agreed to reconvene sometime in the next 60 to 90 days.

Meeting Adjourned at 11:30 AM.

Attendee List

**Virtual Stakeholder Meeting to Examine an Electricity Affordability Program for
Dominion Energy South Carolina's Low-Income Customers**

Meeting Date: March 31, 2022

Dominion Energy South Carolina, Inc.

Allen Rooks
Chad Burgess
Cristina Freeman
John Raftery
Matthew Gissendanner
Sam Dozier

McGuireWoods LLP, as counsel for Dominion Energy South Carolina, Inc.

Michael J. Anzelmo
Jason A. Richardson

Office of Regulatory Staff

Christopher M. Huber
Alexander W. Knowles
Gretchen Pool
Ryder Thompson

S.C. Department of Consumer Affairs

Roger P. Hall
Carri Grube-Lybarker
Connor J. Parker

Sierra Club

Mikaela Curry

Frank Knapp, Jr.

Southern Environmental Law Center

Emma Clancy
Kate Lee Mixson

South Carolina Coastal Conservation League

Eddy Moore
Ben Garriss

AARP South Carolina

Adam Protheroe, Esquire

John B. Coffman, Esquire

Patrick Cobb

William Malcolm

S.C. Energy Users Committee

Scott Elliott

PIPP Stakeholder Meeting

March 31, 2022 at 10:30 a.m. EDT

Agenda

1. Welcome
2. Introduction of Presenters
3. Update on OEO's approval to accept \$15 million in settlement funds
4. Overview of funds currently available for existing Bill Assistance Programs
 - a. Cristina Freeman, Manager of Customer Assistance
 - b. Cristina will provide the significant available assistance fund balances for DESC's current customer assistance programs
5. DESC's position on need for legislative involvement to implement PIPP in South Carolina
6. Recommendation from DESC on proposed next steps

Dominion Energy South Carolina, Inc. (DESC)

Stakeholder Meeting March 31, 2022

Overview of Funds Available for Bill Assistance Programs, the Need for Legislation to Implement a PIPP in South Carolina, and Recommended Next Steps



**Dominion
Energy**®

Existing Energy Assistance Programs



- Block Grant allocated to states
- Congress appropriates funds annually
- Assists low- income households, particularly those with the lowest incomes that pay a high proportion of household income for home energy, to help meet their immediate home energy needs
- Administered by SC OEO/community action agencies
- **2022- \$45M (allocated in November 2021)**



- Introduced in 2020
- Funded through Shareholder dollars and voluntary contributions
- Assists DESC residential customers who need help with their electric or gas bill
- Can work in tandem with LIHEAP or as stand-alone assistance
- Administered by SC OEO/community action agencies
- **2022 - \$15M (pending legislative approval for OEO acceptance), \$1M**



GOOD NEIGHBOR FUND

- Introduced 1982
- Funded through voluntary employee, retiree contributions / annual DE foundation grant
- Registered 501c3 non-profit
- Provides temporary financial assistance to households within DESC's service area
- Assists with rent/mortgage, food, medical bills, prescriptions, clothing and other basic needs, excluding utilities.
- Provide food and toys annually during the holidays (appx 1025 food boxes and hundreds of toys)
- **2022- \$174, 382 (available)**



- Federally funded program (ERA1 –Dec 2020) (ERA 2- March 2021)
- SC General Assembly made funds available in April 2021
- Assists renter households financially impacted by Covid-19 in 39 SC counties (SC Stay Plus)
- ERAP- 7 counties received separate federal funds (\$74M)
- Provides up to 12 months of past due rent and utilities, plus up to 3 additional months of future payments.
- Collaborative effort between SC Housing Authority and other utilities in SC to directly apply assistance funds to eligible customers.
- **2022 - \$156.3M total available**
- **ERA 1 funds are available through Sept. 30, 2022**
- **ERA 2 funds available through Sept. 30, 2025**

New Energy Assistance Program



The State of South Carolina was awarded **\$144,650,807.00 by the U.S. Department of Treasury's Homeowner Assistance Fund (HAF)**, which was established under Section 3206 of the American Rescue Plan Act of 2021. This includes the cost of executing the program as well as the previously-run pilot program.

HAF is designed to mitigate financial hardships associated with the coronavirus pandemic by providing funds to eligible entities for the purpose of **preventing homeowner mortgage delinquencies, defaults, foreclosures**, and displacements of homeowners experiencing financial hardship beginning or after January 21, 2020.

The South Carolina State Housing Finance and Development Authority (SC Housing) will administer these funds through the **SC Homeowner Rescue Program (SC HRP)**.

Eligible uses of funds under the SC Homeowner Rescue Program include:

- Mortgage Payment Assistance
- Payment Assistance for Delinquent Property Taxes
- Mortgage Reinstatement
- Payment Assistance for Down Payment Assistance Loans
- Payment Assistance for Homeowner's Utilities
- Counseling, Educational Services, or Legal Services

South Carolina's Statutory Scheme Requires Implementing Legislation for a PIPP

- Our conclusion is that legislative action is required before a PIPP can be created in South Carolina.
- South Carolina statutes state a preference against socializing energy costs.
 - See S.C. Code Ann. § 58-27-840(A) (disallowing unreasonable preferences unless certain conditions and circumstances exist); see *also* § 58-27-845(C) (“... that no one class of customers are unduly burdening another, and that each customer class pays, as close as practicable, the cost of providing service to them.”).
- In the past the General Assembly has demonstrated that it will expressly override default rule when it desires to allow cost shifting.
 - See S.C. Code Ann. § 58-37-20 (statute allowing utilities to recoup costs associated with implementing DSM programs); see also § 58-27-845(C).
- Moreover, legislative action would ensure that DESC can recover costs arising from the creation and maintenance of a PIPP because the Commission lacks authority to shift the program's costs without such legislation.
 - See *Duke Power Co. v. S.C. Pub. Serv. Comm'n*, 284 S.C. 81, 97-98, 326 S.E.2d 395, 404-05 (1985).

South Carolina's Statutory Scheme Requires Implementing Legislation for a PIPP

- The current versions of the Ohio and Virginia PIPPs are creatures of statute and are revenue neutral to the utilities in those states.
- A South Carolina PIPP—like the Ohio and Virginia programs—must be a revenue neutral program.
- DESC cannot administer the PIPP.
- The Commission does not have jurisdiction to order the Office of Economic Opportunity (OEO) to administer a PIPP program.
- OEO needs legislative approval before it can receive funds necessary to implement the program.
 - For example, OEO had to obtain legislative approval before it was able to receive the home weatherization program funds in Paragraph 20 of the Settlement Agreement.

Recommended Course of Action:

- Step 1:
 - Stakeholders work with group members to connect customers with DESC to maximize the disbursement of the currently available assistance funds.
- Step 2:
 - DESC will update this group after ratification of the annual Appropriations Act in order to provide update on OEO acceptance of the settlement amounts and on efforts to exhaust available assistance funds.